

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* WRIGHT	County* HILLSDALE	Type* TOWNSHIP	MuniCode* 30-1-180
Opinion Date-Use Calendar* Sep 25, 2008	Audit Submitted-Use Calendar* Sep 30, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/> ?	18. Are there reported deficiencies? <input checked="" type="checkbox"/> 19. If so, was it attached to the audit report?

General Fund Revenue:	<input type="checkbox"/> ? \$ 248,062.00
General Fund Expenditure:	<input type="checkbox"/> ? \$ 219,659.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	<input type="checkbox"/> ? \$ 320,681.00
Governmental Activities Long-Term Debt (see instructions):	<input type="checkbox"/> ? \$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* PHILIP	Last Name* RUBLEY	Ten Digit License Number* 1101009223		
CPA Street Address* 133 W MAIN STREET	City* MORENCI	State* MI	Zip Code* 49256	Telephone* +1 (517) 458-2274
CPA Firm Name* PHILIP R RUBLEY CPA	Unit's Street Address* 112 WATER STREET	Unit's City* WALDRON	Unit's Zip* 49288	

**WRIGHT TOWNSHIP
HILLSDALE COUNTY, MICHIGAN
ANNUAL FINANCIAL REPORT
MARCH 31, 2008**

**WRIGHT TOWNSHIP
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2008**

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– Certified Public Accountant –

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF
AMERICAN INSTITUTE OF C.P.A.'S
& THE MICHIGAN ASSOCIATION OF C.P.A.'S

September 25, 2008

Township Board
Wright Township
Hillsdale County
112 Water St.
Waldron, MI 49288

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wright Township, Hillsdale County, Michigan as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wright Township, Hillsdale County, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wright Township, Hillsdale County, Michigan as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on Pages 2 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United State of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully Submitted,


Philip R. Rubley, CPA

PRR/cab

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WRIGHT TOWNSHIP
Management's Discussion and Analysis
March 31, 2008

Using This Annual Report

The annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of Wright Township government-wide basis. They are designed to present a longer-term view of the Township's finances. Fund financial statements tell how services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

Overview Of The Financial Statements

The Township's basic financial statements are comprised of three components:

- A) Government-wide financial statements.
- B) Fund financial statements.
- C) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The Township maintains 3 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and fire fund, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds. The Township maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. This fund accounts for their sewer fund activity.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

WRIGHT TOWNSHIP
Management's Discussion and Analysis
March 31, 2008

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories; governmental funds, proprietary fund and fiduciary fund.

Notes To The Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement of some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government, public safety, public works, other functions and interest expense.

Other Information

The Township has reported under required supplementation information, information about the General Fund and Major Type Funds, and Combining Balance Sheets and Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Type Governmental Funds.

**WRIGHT TOWNSHIP
Management's Discussion and Analysis
March 31, 2008**

The Township As A Whole

The Township's net assets for the year ended March 31, 2008 increased over the prior year. The increase is mostly created from grant revenue received from the USDA Rural Development for the Sewer Project.

The governmental activities reflect net assets of \$740,745 and the business-type activities reflect net assets of \$4,013,142.

The Township's net assets reflects its investment in capital assets (e.g. land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire these assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

WRIGHT TOWNSHIP
Management's Discussion and Analysis
March 31, 2008

WRIGHT TOWNSHIP NET ASSETS		
<u>Governmental Activities</u>		
	<u>2008</u>	<u>2007</u>
<u>Revenue</u>		
Program Revenue:		
Charges for Services	\$157,190	\$104,737
Operating Grants and Contributions	---	22,512
Capital Grants and Contributions	3,500	4,895
General Revenue:		
Property Taxes and Special Assessments	130,133	125,756
Grants and Contributions Not Restricted To Specific Program	85,997	81,741
Interest and Rentals Earnings	10,111	9,880
Total Revenue	<u>386,931</u>	<u>349,521</u>
<u>Expenses</u>		
General Government	72,064	73,474
Public Safety	96,845	97,472
Public Works	123,462	53,397
Other Functions and Interest Paid	13,706	15,688
Total Expenses	<u>306,077</u>	<u>240,031</u>
Increase In Net Assets	80,854	109,490
Net Assets Beginning of Year	<u>659,891</u>	<u>550,401</u>
Net Assets End of Year	<u>\$740,745</u>	<u>\$659,891</u>
	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Current and Other Assets	\$544,723	\$472,374
Capital Assets	196,263	227,336
Total Assets	<u>\$740,986</u>	<u>\$699,710</u>
<u>Liabilities</u>		
Long-Term Liabilities Outstanding	\$ ---	\$ 38,695
Other Liabilities	241	1,124
Total Liabilities	<u>241</u>	<u>39,819</u>
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	196,263	188,641
Unrestricted	404,903	316,538
Restricted	139,579	154,712
Total Net Assets	<u>\$740,745</u>	<u>\$659,891</u>

WRIGHT TOWNSHIP
Management's Discussion and Analysis
March 31, 2008

WRIGHT TOWNSHIP NET ASSETS		
	<u>Business-Type Activities</u>	
	<u>2008</u>	<u>2007</u>
<u>Non-Operating Revenue</u>		
Special Assessments and Usage Fees	\$ 26,654	\$ 6,436
Grants	412,000	2,305,700
Interest Income	6,348	59,839
Total Non-Operating Revenue	<u>445,002</u>	<u>2,371,975</u>
<u>Non-Operating Expenses</u>		
Interest Expense/Bond Issuance Costs	1,598	36,676
Other	56,024	257
Total Non-Operating Expense	<u>57,622</u>	<u>36,933</u>
Increase in Net Assets	387,380	2,335,042
Net Assets Beginning of Year	<u>3,685,762</u>	<u>1,290,720</u>
Net Assets End of Year	<u>\$4,073,142</u>	<u>\$3,625,762</u>
	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Current and Other Assets	\$1,362,845	\$1,364,082
Capital Assets	3,890,618	3,626,738
Total Assets	<u>\$5,253,463</u>	<u>\$4,990,820</u>
<u>Liabilities</u>		
Long-Term Liabilities Outstanding	\$1,236,000	\$1,260,000
Other Liabilities	4,321	105,058
Total Liabilities	<u>1,240,321</u>	<u>1,365,058</u>
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	2,654,618	2,366,738
Unrestricted	1,170,467	1,259,024
Restricted	188,057	---
Total Net Assets	<u>\$4,013,142</u>	<u>\$3,625,762</u>

**WRIGHT TOWNSHIP
Management's Discussion and Analysis
March 31, 2008**

Government Activities

Government activities increased the Township's net assets by \$80,824.

The Township's Funds

Our analysis of the Township's funds begins on Page 8, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Trustee Board and management creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages, etc.

General Fund Budgetary Highlights

There are no significant differences between the original budget and amended budget.

Capital Assets And Debt Administration

The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2008, amounted to \$4,086,881 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment.

Long-term debt of the Township decreased by \$62,695 (see Note 7 of the basic financial statements).

Economic Factors And Next Year's Budget And Rates

The Township's budget for 2008-2009 fiscal year has taken in consideration, the economic condition of the State of Michigan anticipating reduced state share revenues. This will require close tabs on expenditures for the upcoming year and adjustments will be made to mirror, when possible, the revenue base, with expenses.

Contacting The Townships Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office at 112 Water St., Waldron, Michigan 49288.

WRIGHT TOWNSHIP
Government-wide Statement of Activities
For The Year Ended March 31, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Net (Expenses) Revenues</u>
<u>Governmental Activities:</u>					
General Government	\$ 72,064	\$ 26,102	\$ ---	\$ ---	\$ (45,962)
Public Safety	96,845	131,088	---	3,500	37,743
Public Works	123,462	---	---	---	(123,462)
Other Functions	13,327	---	---	---	(13,327)
Interest on Long-Term Debt	379	---	---	---	(379)
Total Governmental Activities	<u>306,077</u>	<u>157,190</u>	<u>---</u>	<u>3,500</u>	<u>(145,387)</u>
<u>Business-Type Activities:</u>					
Utilities	56,024	23,229	---	415,425	382,630
Interest on Long-Term Debt	1,598	---	---	---	(1,598)
Total Business-Type Activities	<u>57,622</u>	<u>23,229</u>	<u>---</u>	<u>415,425</u>	<u>381,032</u>
Total	<u>\$363,699</u>	<u>\$180,419</u>	<u>\$ ---</u>	<u>\$418,925</u>	<u>\$ 235,645</u>

WRIGHT TOWNSHIP
Government-wide Statement Of Activities (Concluded)
For The Year Ended March 31, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Changes In Net Assets</u>			
Net Revenue (Expense) Revenue	\$(145,387)	\$ 381,032	\$ 235,645
General Revenues:			
Property Taxes and Assessments	130,133	---	130,133
Grants and Contributions			
Not Restricted To			
Specific Programs	85,997	---	85,997
Unrestricted Investment			
Earnings and Rentals	<u>10,111</u>	<u>6,348</u>	<u>16,459</u>
Total General Revenues, Contributions and Transfers	<u>226,241</u>	<u>6,348</u>	<u>232,589</u>
Change In Net Assets	80,854	387,380	468,234
Net Assets, Beginning of Year	<u>659,891</u>	<u>3,625,762</u>	<u>4,285,653</u>
Net Assets, End of Year	<u>\$ 740,745</u>	<u>\$4,013,142</u>	<u>\$4,753,887</u>

**WRIGHT TOWNSHIP
Governmental Funds
Balance Sheet
March 31, 2008**

	General Fund	Fire Fund	Other Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash				
Equivalents	\$297,373	\$222,277	\$ 295	\$519,945
Prepaid Expenses	7,059	1,156	---	8,215
Receivables - Net	16,563	---	---	16,563
Due From Other Funds	---	---	---	---
Total Assets	<u>\$320,995</u>	<u>\$223,433</u>	<u>\$ 295</u>	<u>\$544,723</u>
<u>LIABILITIES</u>				
Accounts Payable/				
Accrued Liabilities	\$ 241	\$ ---	\$ ---	\$ 241
Deferred Revenue	73	---	---	73
Total Liabilities	<u>314</u>	<u>---</u>	<u>---</u>	<u>314</u>
<u>FUND BALANCES</u>				
Unreserved	181,102	223,433	295	404,830
Restricted - Roads	139,579	---	---	139,579
Total Fund Balances	<u>320,681</u>	<u>223,433</u>	<u>295</u>	<u>544,409</u>
Total Liabilities and Fund Balances	<u>\$320,995</u>	<u>\$223,433</u>	<u>\$ 295</u>	<u>\$544,723</u>

WRIGHT TOWNSHIP
Reconciliation of Fund Balances On The Balance Sheet For Governmental Funds
To Net Assets Of Governmental Activities On The Statement of Net Assets
March 31, 2008

Fund Balances – Total Governmental Funds \$ 544,409

Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in
the funds.

Add: Capital Assets 453,329

Deduct: Accumulated Depreciation (257,066)

Revenue that has been billed as a receivable, but not collected
until later years, was not reported in the funds.

Add: Deferred Revenue 73

Net Assets of Governmental Activities \$ 740,745

WRIGHT TOWNSHIP
Governmental Funds
Statement of Revenue, Expenditures, and Changes In Fund Balances
For The Year Ended March 31, 2008

	General Fund	Fire Fund	Other Non-Major Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Taxes and Assessments	\$130,153	\$ ---	\$ ---	\$130,153
Intergovernmental	85,997	---	---	85,997
Other Governments	---	19,345	---	19,345
Charges for Services	13,740	109,279	---	123,019
Interest	5,810	4,300	1	10,111
Other	12,362	2,464	---	14,826
Grant Revenue	---	3,500	---	3,500
Total Revenue	<u>248,062</u>	<u>138,888</u>	<u>1</u>	<u>386,951</u>
<u>EXPENDITURES</u>				
Current:				
General Government	69,571	---	58	69,629
Public Safety	---	104,228	---	104,228
Public Works	123,462	---	---	123,462
Capital Outlay	---	2,674	---	2,674
Other Functions	14,626	---	---	14,626
Total Expenditures	<u>207,659</u>	<u>106,902</u>	<u>58</u>	<u>314,619</u>
Excess of Revenue Over (Under) Expenditures	40,403	31,986	(57)	72,332
<u>Other Financing Sources (Uses)</u>				
Transfers In	---	12,000	---	12,000
Transfers (Out)	(12,000)	---	---	(12,000)
Total Other Financing Sources (Uses)	<u>(12,000)</u>	<u>12,000</u>	<u>---</u>	<u>---</u>
Net Change In Fund Balances	28,403	43,986	(57)	72,332
Fund Balances – Beginning of Year	<u>292,278</u>	<u>179,447</u>	<u>352</u>	<u>472,077</u>
Fund Balances – End of Year	<u>\$320,681</u>	<u>\$223,433</u>	<u>\$ 295</u>	<u>\$544,409</u>

The notes to financial statements are an integral part of this statement.

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WRIGHT TOWNSHIP
Reconciliation Of The Statement Of Revenues, Expenditures,
And Changes In Fund Balances Of Governmental Statement Of Activities
March 31, 2008

Net Change In Fund Balances – Total Governmental Funds \$ 72,332

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Deduct: Depreciation Expense (33,747)

Capital assets used in governmental activities are added back to the governmental activities and depreciated.

Add: Capital Assets 2,674

Revenue deferred on the governmental funds report, which has been charged to receivable and thus income on the statement of activities.

(Less): Deferred Revenue Other adjustments (20)

Interest due on the governmental activities note payable is accrued as a expenditure on the government-wide financial statement.

Add: Accrued Interest 920

Payment on the debt is reflected as a expense on the fund statement but is a reduction in liabilities, or notes payable on the government-wide financial statement.

Add: Principal Payment on Note 38,695

Change In Net Assets Of Governmental Activities \$ 80,854

WRIGHT TOWNSHIP
Statement of Net Assets
Proprietary Funds
March 31, 2008

	Business-Type Activities - Enterprise Fund
	<u>Sewer Fund</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 63,494
Special Assessment Receivable	124,408
Due from County - Delinquent Special Assessments	13,853
Bond Issuance Costs - Current Portion	<u>1,758</u>
Total Current Assets	<u>203,513</u>
Noncurrent Assets:	
Capital Assets (Net of Depreciation)	3,890,618
Special Assessment Receivable	906,245
Bond Issuance Costs	65,030
Cash - Restricted - Retirement	168,057
Cash - Restricted - Reserve	<u>20,000</u>
Total Noncurrent Assets	<u>5,049,950</u>
Total Assets	<u><u>\$5,253,463</u></u>
Liabilities	
Current Liabilities:	
Accrued Liabilities	\$ 4,321
Special Assessment Bonds, Series 2006 - Current Portion	<u>32,000</u>
Total Current Liabilities	<u>36,321</u>
Long-Term Liabilities:	
Special Assessment Bonds, Series 2006	<u>1,204,000</u>
Total Liabilities	<u>1,240,321</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,654,618
Restricted - Retirement	168,057
Restricted - Reserve	20,000
Unrestricted	<u>1,170,467</u>
Total Net Assets	<u>4,013,142</u>
Net Assets of Business-Type Activities on the Government-Wide Statement of Net Assets	<u><u>\$5,253,463</u></u>

The notes to financial statements are an integral part of this statement.

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WRIGHT TOWNSHIP
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For The Year Ended March 31, 2008

	Business-Type Activities - Enterprise Fund
	<u>Sewer Fund</u>
Operating Revenues	
Sewer Usage Fees	\$ 21,136
Other Income	<u>2,093</u>
Total Operating Revenues	<u>23,229</u>
Operating Expenses	
Operating and Maintenance	30,261
Depreciation	<u>25,763</u>
Total Operating Expenses	<u>56,024</u>
Operating (Loss)	<u>(32,795)</u>
Non-Operating Revenues/Expenses	
Special Assessments	3,425
Grant Revenue - Federal	412,000
Interest Income	6,348
Interest Expense	<u>(1,598)</u>
Total Non-Operating Revenues (Expenses)	<u>420,175</u>
Change in Net Assets	387,380
Net Assets, Beginning of Year	<u>3,625,762</u>
Net Assets, End of Year	<u>\$4,013,142</u>

The notes to financial statements are an integral part of this statement.

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WRIGHT TOWNSHIP
Reconciliation Of The Statement Of Revenues, Expenditures, To The Statement Of Activities
March 31, 2008

Change In Net Assets – All Enterprise Funds	\$387,380
No additional adjustments	<u>---</u>
Change In Net Assets Of Business-Type Activities	<u><u>\$387,380</u></u>

WRIGHT TOWNSHIP
Statement of Cash Flows
Proprietary Funds
For The Year Ended March 31, 2008

	Business-Type Activities - Enterprise Fund
	<u>Sewer Fund</u>
Cash Flows From Capital and Related Financing Activities	
Special Assessment Revenue	\$ 3,425
Grants	412,000
Sewer Usage Fees	21,136
Other Income	2,093
Expenses Incurred	<u>(29,047)</u>
Net Cash (Used) by Capital and Related Financing Activities)	<u>409,607</u>
Cash Flows From Investing Activities	
Investment Income	6,348
Purchase of Capital Assets	(289,643)
Retainage Payable	<u>(100,577)</u>
Net Cash Provided (Used) by Investing Activities	<u>(383,872)</u>
Cash Flows From Financing Activities	
Special Assessment Bonds, Principal Payments	(24,000)
Special Assessment Receivable	124,409
Restricted and Reserve Cash	<u>(188,057)</u>
Net Cash Provided (Used) by Financing Activities	<u>(87,648)</u>
Net (Decrease) in Cash and Cash Equivalents	(61,913)
Cash and Cash Equivalents, Beginning of Year	<u>125,407</u>
Cash and Cash Equivalents, End of Year	<u>\$ 63,494</u>
Reconciliation to Statement of Net Assets	
Cash and Cash Equivalents	<u>\$ 63,494</u>

The notes to financial statements are an integral part of this statement.

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WRIGHT TOWNSHIP
Statement of Cash Flows (Concluded)
Proprietary Funds
For The Year Ended March 31, 2008

	Business-Type Activities - Enterprise Fund
	<u>Sewer Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income	\$ 387,380
Depreciation	25,763
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Accrued Liabilities	(100,737)
Current Assets	<u>(94,072)</u>
Net Cash Provided (Used) by Operating Activities	<u>218,334</u>
Cash Flows From Investing Activities:	
Purchase of Capital Assets	<u>(289,643)</u>
Net Cash (Used) from Investing Activities	<u>(289,643)</u>
Cash Flows From Financing Activities:	
Bond Anticipation Note Payable	(24,000)
Special Assessment Receivable	219,694
Bond Issuance Costs	1,759
Restricted and Reserve Cash	<u>(188,057)</u>
Net Cash (Used) from Financing Activities	<u>9,396</u>
Net (Decrease) in Cash and Cash Equivalents	(61,913)
Cash and Cash Equivalents, Beginning of Year	<u>125,407</u>
Cash and Cash Equivalents, End of Year	<u>\$ 63,494</u>

The notes to financial statements are an integral part of this statement.

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WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Wright Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

A. Reporting Entity

Wright Township is governed by an elected board. The accompanying financial statements present the government for which government is considered to be financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

Property taxes, franchise taxes, intergovernmental revenue licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund is a special Revenue Fund that receives monies for contractual services and charges for the purpose of providing fire protection and Advanced and Basic Life Support Services to the community.

The government reports the following major proprietary fund:

The Sewer Fund (Utilities) is a proprietary type fund which accounts for activities of the government's waste water system.

Additionally, the government reports the following fund types:

The Agency Funds account for assets held by the Township acting as an agent for individuals, private organizations, other governments and/or other funds.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-side and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities and enterprise funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utilities fund are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Assets, Liabilities, and Net Assets or Equity

1. **Bank Deposits and Investment** – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loans associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

2. **Receivables and Payables** – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

3. **Prepaid Items** – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

4. **Inventories** – All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

5. **Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20 - 50
Building	10 - 50
Machinery, Equipment, And Furnishings	5 - 35
Utility Systems	50 - 100
Infrastructure	15 - 100
Vehicles	5 - 15

6. **Long-Term Obligations** - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.
7. **Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. **Budgetary Information** - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

On or before the end of March of each year, the Township Board proposes a budget for review and holds public hearings and a final budget is adopted.

The appropriated budget is prepared by fund, function and activity. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is with the Board of Trustees.

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

- B. Excess of Expenditures Over Appropriations in Budgeted Funds** - P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amounts appropriated. During the year ended March 31, 2008, the government did not incur expenditures in excess of amounts appropriated at the legal level of budgetary control.

NOTE 3 – DEPOSITS AND INVESTMENTS

The Township has the following deposits which are carried at cost plus interest. The Township does not have a deposit policy. The Township investments are in accordance with statutory authority.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$100,000
Uninsured and Uncollateralized	<u>671,496</u>
	<u>\$771,496</u>

CUSTODIAL CREDIT RISK – DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of March 31, 2008 - \$671,496 of the Township's bank balance of \$771,496 was exposed to custodial risk.

A reconciliation of cash and investments as shown on the Statement of Net Assets and Statement of Fiduciary Net Assets to deposits and investments as classified for note disclosure purposes is as follows:

Statement of Net Assets:	
Cash and Cash Equivalents	<u>\$771,496</u>

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended March 31, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Decreases</u>	<u>Balance</u>
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 31,500	\$ ---	\$ ---	\$ 31,500
Total Capital Assets Not Being Depreciated	<u>31,500</u>	<u>---</u>	<u>---</u>	<u>31,500</u>
Capital Assets, Being Depreciated:				
Buildings	76,718	---	---	76,718
Vehicles	155,000	---	---	155,000
Equipment	187,437	2,674	---	190,111
Total Capital Assets Being Depreciated	<u>419,155</u>	<u>2,674</u>	<u>---</u>	<u>421,829</u>
Less Accumulated Depreciation For:				
Buildings	(52,343)	(1,875)	---	(54,218)
Vehicles	(62,000)	(15,500)	---	(77,500)
Equipment	(108,976)	(16,372)	---	(125,348)
Total Accumulated Depreciation	<u>(223,319)</u>	<u>(33,747)</u>	<u>---</u>	<u>(257,066)</u>
Total Capital Assets, Being Depreciated, Net	<u>195,836</u>	<u>(31,073)</u>	<u>---</u>	<u>164,763</u>
Governmental Activities Capital Assets, Net	<u>\$ 227,336</u>	<u>\$ (31,073)</u>	<u>\$ ---</u>	<u>\$ 196,263</u>
<u>Business-Type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 52,000	\$ ---	\$ ---	\$ 52,000
Total Capital Assets Not Being Depreciated	<u>52,000</u>	<u>---</u>	<u>---</u>	<u>52,000</u>
Capital Assets, Being Depreciated:				
Sewer System	3,574,738	289,643	---	3,864,381
Total Capital Assets Being Depreciated	<u>3,574,738</u>	<u>289,643</u>	<u>---</u>	<u>3,864,381</u>
Less Accumulated Depreciation For:				
Sewer System	---	(25,763)	---	(25,763)
Total Accumulated Depreciation	<u>---</u>	<u>(25,763)</u>	<u>---</u>	<u>(25,763)</u>
Total Capital Assets Not Being Depreciated	<u>3,574,738</u>	<u>263,880</u>	<u>---</u>	<u>3,838,618</u>
Business-Type Activities Capital Assets, Net	<u>\$3,626,738</u>	<u>\$263,880</u>	<u>\$ ---</u>	<u>\$3,890,618</u>

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

Depreciation expense was charged to functions/programs of the Township as follows:

<u>Governmental Activities:</u>	
General Government	\$ 2,435
Public Safety	<u>31,312</u>
Total Depreciation Expense	
Governmental Activities	<u>\$33,747</u>
 <u>Business-Type Activities:</u>	
Utilities	<u>\$25,763</u>
Total Depreciation Expense	
Business-Type Activities	<u>\$25,763</u>

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

NOTE 5 – TRANSFERS BETWEEN FUNDS

At March 31, 2008, the following transfers were made between funds:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ ---	\$12,000
Fire	<u>12,000</u>	<u>---</u>
Total	<u>\$12,000</u>	<u>\$12,000</u>

Transfers are used to (a) move revenues from the fund by statute or budget as required to collect them to the fund that statute or budget requires to expend them and (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 – PROPERTY TAXES

The Township bills and collects property taxes and also taxes for the County and several School Districts within its jurisdiction. Collections and remittances of the County and School taxes are accounted for in the Current Tax Collection Agency Fund. Township property tax revenues are recognized as revenues in the fiscal year levied to the extent that they result in current receivables.

Property taxes attach as an enforceable lien on the property as of January 1.

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

NOTE 7 – LONG-TERM DEBT

Special Assessment Bonds, Series 2006 - United States Department of Agriculture (Rural Development) No. 1 (92-03).

Purpose: Sanitary Sewer Improvements - Lime Lake/Prattville.
Date of Note: April 13, 2006.
Interest Rate: 4.375% per annum, payable on September 1 and March 1 each year.
Principle Payable: March 1 in accordance with schedule below.
Amount of Issue: \$796,000.

<u>Payment Date</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
September 1, 2008	\$ 16,661	\$ 16,661	\$ ---
March 1, 2009	36,661	16,661	20,000
September 1, 2009	16,319	16,319	---
March 1, 2010	36,318	16,318	20,000
September 1, 2010	15,881	15,881	---
March 1, 2011	35,881	15,881	20,000
September 1, 2011	15,444	15,444	---
March 1, 2012	35,444	15,444	20,000
September 1, 2012	15,006	15,006	---
March 1, 2013	35,006	15,006	20,000
September 1, 2013	14,569	14,569	---
March 1, 2014	34,569	14,569	20,000
September 1, 2014	14,131	14,131	---
March 1, 2015	34,131	14,131	20,000
September 1, 2015	13,694	13,694	---
March 1, 2016	33,694	13,694	20,000
September 1, 2016	13,256	13,256	---
March 1, 2017	33,256	13,256	20,000
September 1, 2017	12,819	12,819	---
March 1, 2018	32,819	12,819	20,000
September 1, 2018	12,381	12,381	---
March 1, 2019	32,381	12,381	20,000
September 1, 2019	11,944	11,944	---
March 1, 2020	31,944	11,944	20,000
September 1, 2020	11,506	11,506	---
March 1, 2021	31,506	11,506	20,000
September 1, 2021	11,069	11,069	---
March 1, 2022	31,069	11,069	20,000
September 1, 2022	10,631	10,631	---
March 1, 2023	30,631	10,631	20,000
September 1, 2023	10,194	10,194	---
March 1, 2024	30,194	10,194	20,000
September 1, 2024	9,756	9,756	---
March 1, 2025	29,756	9,756	20,000
September 1, 2025	9,319	9,319	---
March 1, 2026	29,319	9,319	20,000
September 1, 2026	8,881	8,881	---
March 1, 2027	28,881	8,881	20,000
September 1, 2027	8,444	8,444	---
March 1, 2028	28,444	8,444	20,000
September 1, 2028	8,006	8,006	---
March 1, 2029	28,006	8,006	20,000
September 1, 2029	7,569	7,569	---

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

NOTE 7 – LONG-TERM DEBT (CONTINUED)

<u>Payment Date</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
March 1, 2030	27,569	7,569	20,000
September 1, 2030	7,131	7,131	---
March 1, 2031	27,131	7,131	20,000
September 1, 2031	6,694	6,694	---
March 1, 2032	26,694	6,694	20,000
September 1, 2032	6,256	6,256	---
March 1, 2033	26,256	6,256	20,000
September 1, 2033	5,819	5,819	---
March 1, 2034	25,819	5,819	20,000
September 1, 2034	5,381	5,381	---
March 1, 2035	25,381	5,381	20,000
September 1, 2035	4,944	4,944	---
March 1, 2036	24,944	4,944	20,000
September 1, 2036	4,506	4,506	---
March 1, 2037	24,506	4,506	20,000
September 1, 2037	4,069	4,069	---
March 1, 2038	24,069	4,069	20,000
September 1, 2038	3,631	3,631	---
March 1, 2039	23,631	3,631	20,000
September 1, 2039	3,194	3,194	---
March 1, 2040	23,194	3,194	20,000
September 1, 2040	2,756	2,756	---
March 1, 2041	23,756	2,756	21,000
September 1, 2041	2,297	2,297	---
March 1, 2042	23,297	2,297	21,000
September 1, 2042	1,837	1,837	---
March 1, 2043	22,837	1,837	21,000
September 1, 2043	1,378	1,378	---
March 1, 2044	22,378	1,378	21,000
September 1, 2044	919	919	---
March 1, 2045	21,919	919	21,000
September 1, 2045	459	459	---
March 1, 2046	21,459	459	21,000
	<u>\$1,423,501</u>	<u>\$657,501</u>	<u>\$766,000</u>

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

NOTE 7 -- LONG-TERM DEBT (CONTINUED)

Special Assessment Bonds, Series 2006 - United States Department of Agriculture
(Rural Development) No. 2 (92-05).

Purpose: Sanitary Sewer Improvements - Lime Lake/Prattville.
Date of Note: April 13, 2006.
Interest Rate: 4.25% per annum, payable on September 1 and March 1 each year.
Principle Payable: March 1 in accordance with schedule below.
Amount of Issue: \$488,000.

<u>Payment Date</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
September 1, 2008	\$ 9,987	\$ 9,987	\$ ---
March 1, 2009	21,987	9,987	12,000
September 1, 2009	9,732	9,732	---
March 1, 2010	21,732	9,732	12,000
September 1, 2010	9,477	9,477	---
March 1, 2011	21,477	9,477	12,000
September 1, 2011	9,222	9,222	---
March 1, 2012	21,222	9,222	12,000
September 1, 2012	8,967	8,967	---
March 1, 2013	20,967	8,967	12,000
September 1, 2013	8,712	8,712	---
March 1, 2014	20,712	8,712	12,000
September 1, 2014	8,457	8,457	---
March 1, 2015	20,457	8,457	12,000
September 1, 2015	8,202	8,202	---
March 1, 2016	20,202	8,202	12,000
September 1, 2016	7,947	7,947	---
March 1, 2017	19,947	7,947	12,000
September 1, 2017	7,692	7,692	---
March 1, 2018	19,692	7,692	12,000
September 1, 2018	7,437	7,437	---
March 1, 2019	19,437	7,437	12,000
September 1, 2019	7,182	7,182	---
March 1, 2020	19,182	7,182	12,000
September 1, 2020	6,927	6,927	---
March 1, 2021	18,927	6,927	12,000
September 1, 2021	6,672	6,672	---
March 1, 2022	18,672	6,672	12,000
September 1, 2022	6,417	6,417	---
March 1, 2023	18,417	6,417	12,000
September 1, 2023	6,162	6,162	---
March 1, 2024	18,162	6,162	12,000
September 1, 2024	5,907	5,907	---
March 1, 2025	17,907	5,907	12,000
September 1, 2025	5,652	5,652	---
March 1, 2026	17,652	5,652	12,000
September 1, 2026	5,397	5,397	---
March 1, 2027	17,397	5,397	12,000
September 1, 2027	5,142	5,142	---
March 1, 2028	17,142	5,142	12,000
September 1, 2028	4,887	4,887	---
March 1, 2029	16,887	4,887	12,000
September 1, 2029	4,632	4,632	---

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

NOTE 7 – LONG-TERM DEBT (CONTINUED)

<u>Payment Date</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
March 1, 2030	16,632	4,632	12,000
September 1, 2030	4,377	4,377	---
March 1, 2031	16,377	4,377	12,000
September 1, 2031	4,122	4,122	---
March 1, 2032	16,122	4,122	12,000
September 1, 2032	3,867	3,867	---
March 1, 2033	16,867	3,867	13,000
September 1, 2033	3,591	3,591	---
March 1, 2034	16,591	3,591	13,000
September 1, 2034	3,315	3,315	---
March 1, 2035	16,315	3,315	13,000
September 1, 2035	3,038	3,038	---
March 1, 2036	16,038	3,038	13,000
September 1, 2036	2,762	2,762	---
March 1, 2037	15,762	2,762	13,000
September 1, 2037	2,486	2,486	---
March 1, 2038	15,486	2,486	13,000
September 1, 2038	2,210	2,210	---
March 1, 2039	15,210	2,210	13,000
September 1, 2039	1,934	1,934	---
March 1, 2040	14,934	1,934	13,000
September 1, 2040	1,657	1,657	---
March 1, 2041	14,657	1,657	13,000
September 1, 2041	1,381	1,381	---
March 1, 2042	14,381	1,381	13,000
September 1, 2042	1,105	1,105	---
March 1, 2043	14,105	1,105	13,000
September 1, 2043	829	829	---
March 1, 2044	13,829	829	13,000
September 1, 2044	552	552	---
March 1, 2045	13,552	552	13,000
September 1, 2045	276	276	---
March 1, 2046	13,276	276	13,000
	<u>\$866,622</u>	<u>\$396,622</u>	<u>\$470,000</u>

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

NOTE 8 – CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended March 31, 2008:

<u>Type of Debt</u>	<u>Balance April 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance March 31, 2008</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Notes Payable -					
Fire Truck	\$ 38,695	\$ ---	\$38,695	\$ ---	\$ ---
Total General Long-Term Debt	<u>\$ 38,695</u>	<u>\$ ---</u>	<u>\$38,695</u>	<u>\$ ---</u>	<u>\$ ---</u>
Business-Type Activities:					
Special					
Assessment Bond	\$ 781,000	\$ ---	\$15,000	\$ 766,000	\$20,000
Special Assessment Bond	<u>479,000</u>	<u>---</u>	<u>9,000</u>	<u>470,000</u>	<u>12,000</u>
Total Enterprise Fund Debt	<u>\$1,260,000</u>	<u>\$ ---</u>	<u>\$24,000</u>	<u>\$1,236,000</u>	<u>\$32,000</u>

NOTE 9 – ANNUAL DEBT SERVICE REQUIREMENTS

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2008, are as follows:

	<u>Business-Type Activities</u>	
<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 32,000	\$ 53,296
2010	32,000	52,101
2011	32,000	50,716
2012	32,000	49,332
2013-2017	160,000	225,882
2018-2022	160,000	191,258
2023-2027	160,000	156,632
2028-2032	160,000	122,008
2033-2037	165,000	86,958
2038-2042	167,000	51,230
2043-2046	<u>136,000</u>	<u>14,710</u>
Totals	<u>\$1,236,000</u>	<u>\$1,054,123</u>

WRIGHT TOWNSHIP
Notes to Financial Statements
March 31, 2008

NOTE 10 – RESTRICTED FUND BALANCE - ROADS

At March 31, 2008 - \$139,579 is restricted for road work.

NOTE 11 – OTHER INFORMATION

Risk Management

The government is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2008, the government carried insurance through various commercial carriers, to cover all risks of losses. The government has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

WRIGHT TOWNSHIP
Budgetary Comparison Schedule
General Fund
For The Year Ended March 31, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
<u>Beginning of Year Fund Balance</u>	\$292,278	\$292,278	\$292,278	\$ ---
<u>Resources (Inflows)</u>				
Taxes and Assessments	121,200	121,200	130,153	8,953
Intergovernmental	84,850	84,850	85,997	1,147
Licenses and Permits	---	---	---	---
Charges for Services	12,350	12,350	13,740	1,390
Interest	3,200	3,200	5,810	2,610
Other	<u>3,400</u>	<u>3,400</u>	<u>12,362</u>	<u>8,962</u>
<u>Amounts Available for Appropriation</u>	<u>517,278</u>	<u>517,278</u>	<u>540,340</u>	<u>23,062</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>General Government</u>				
Trustee Board	4,845	4,845	4,707	138
Supervisor	5,530	5,530	5,402	128
Treasurer	16,875	16,875	16,029	846
Assessing	16,375	16,726	15,605	1,121
Clerk	12,679	12,719	11,762	957
Cemetery	14,700	14,700	12,398	2,302
Board of Review	2,125	1,465	1,043	422
Building and Grounds	1,000	1,000	---	1,000
Other	<u>2,100</u>	<u>2,625</u>	<u>2,625</u>	<u>---</u>
<u>Public Safety</u>				
Fire	500	500	---	500
<u>Public Works</u>				
Road and Maintenance	124,404	124,404	98,848	25,556
Sewer/Sanitation	---	---	---	---
Street Lights	850	850	845	5
Drains	5,760	6,519	6,519	---
Dust Control Service	<u>17,250</u>	<u>17,250</u>	<u>17,250</u>	<u>---</u>
<u>Culture and Recreation</u>				
Library	---	---	---	---
<u>Other Functions</u>	48,700	46,933	14,626	32,307
<u>Transfer Out</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>---</u>
<u>Total Charges to Appropriations</u>	<u>285,693</u>	<u>284,941</u>	<u>219,659</u>	<u>65,282</u>
<u>Ending of Year Fund Balance</u>	<u>\$231,585</u>	<u>\$232,337</u>	<u>\$320,681</u>	<u>\$88,344</u>

The notes to financial statements are an integral part of this statement.

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WRIGHT TOWNSHIP
Budgetary Comparison Schedule
Fire & Ambulance Fund (Major Special Revenue Funds)
For The Year Ended March 31, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
<u>Beginning of Year Fund Balance</u>	\$179,447	\$179,447	\$179,447	\$ ---
<u>Resources (Inflows)</u>				
Ambulance & Fire Runs	43,000	43,000	64,709	21,709
Interest	3,600	3,600	4,300	700
FEMA Grant	---	---	---	---
Contracted Services	43,440	43,440	48,070	4,630
Miscellaneous	---	---	2,464	2,464
Transfer In	12,000	12,000	12,000	---
Contributions Other Governments	<u>19,580</u>	<u>19,580</u>	<u>19,345</u>	<u>(235)</u>
<u>Amounts Available for Appropriation</u>	<u>301,067</u>	<u>301,067</u>	<u>330,335</u>	<u>29,268</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Public Safety</u>				
Salaries and Wages	15,000	14,000	13,457	543
Billing Service	5,000	7,112	6,040	1,072
Operating Supplies	8,000	8,000	5,609	2,391
Gas and Oil	5,000	5,000	3,440	1,560
Utilities	9,250	9,250	7,683	1,567
Repairs and Maintenance	60,000	60,000	3,647	56,353
Insurance	16,500	15,500	13,911	1,589
Licenses & Memberships	500	500	400	100
Education & Training	2,000	2,000	---	2,000
Reading E.U.-ALS	10,000	10,000	10,000	---
Other	1,000	1,000	158	842
Capital Outlay	24,580	24,580	2,674	21,906
Debt Service	<u>39,995</u>	<u>39,883</u>	<u>39,883</u>	<u>---</u>
<u>Total Charges to Appropriations</u>	<u>196,825</u>	<u>196,825</u>	<u>106,902</u>	<u>89,923</u>
<u>Ending of Year Fund Balance</u>	<u>\$104,242</u>	<u>\$104,242</u>	<u>\$223,433</u>	<u>\$119,191</u>

The notes to financial statements are an integral part of this statement.

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WRIGHT TOWNSHIP
Combining Balance Sheet
Non-Major Governmental Funds
March 31, 2008

	Permanent <u>Fund</u>	<u>Total</u> Non-Major Governmental <u>Funds</u>
<u>Assets</u>		
Cash	\$ 295	\$ 295
Total Assets	<u>\$ 295</u>	<u>\$ 295</u>
 <u>Fund Balance</u>	 <u>295</u>	 <u>295</u>
Total Fund Balance	<u>\$ 295</u>	<u>\$ 295</u>

The notes to financial statements are an integral part of this statement.

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WRIGHT TOWNSHIP
Combining Statement of Revenues, Expenditures and Changes In Fund Balance
Non-Major Governmental Funds
For The Year Ended March 31, 2008

	Permanent Fund Cemetery Trust	Total Non-Major Governmental Funds
<u>Revenue:</u>		
Interest	\$ 1	\$ 1
Total Revenue	<u>1</u>	<u>1</u>
<u>Expenditure:</u>		
General Government	58	58
Total Expenditure	<u>58</u>	<u>58</u>
<u>Excess of Revenues Over (Under) Expenditure</u>	<u>(57)</u>	<u>(57)</u>
<u>Beginning Fund Balance</u>	<u>352</u>	<u>352</u>
<u>Ending Fund Balance</u>	<u>\$ 295</u>	<u>\$ 295</u>

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MEMBERS OF
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September 25, 2008

**Township Board
Wright Township
Hillsdale County
122 Water St.
Waldron, MI 49288**

We have examined the financial statements of the Wright Township, Michigan dated September 25, 2008. As a part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such an evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statement and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our examination of the financial statements made in accordance with auditing standards generally accepted in the United States of America, including the study and evaluation of the Township's system of internal accounting control for the year ended March 31, 2008, that was made for the purpose set forth in the first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data.

Statement on Auditing Standards Pronouncement 112 requires us as auditors to communicate what we determine to be significant deficiencies and material weaknesses to management and those charged with governance in regards to internal control matters.

A significant deficiency is a control deficiency or combination of control deficiencies that creates the remote likelihood that a misstatement of the Township's financial statements is more than inconsequential and will not be prevented or detected on a timely basis by employees in the normal course of business.

Based on this criteria the following comments are in this category:

1. **SEGREGATION OF DUTIES**

Because of the size and number of personal segregation of duties is a significant deficiency. These means at the basic level, no single individual should have control over two or more phases of a transaction or operation in the accounting function.

We feel however that because of managements oversight, that this is not a material weakness in the control system.

OTHER MATTERS FOR CONSIDERATION

These comments are not significant deficiencies but are suggestions to improve your existing accounting and control systems.

1. **DEPOSIT POLICY**

Consider establishing a policy to deposit funds in more than one bank to obtain additional FDIC insurance and reduce your custodial risk.

2. **FIXED ASSETS**

Maintain or continue to maintain any deletions of assets or purchases of assets subject to capitalization (over \$1,500.00)

The above mentioned conditions were considered in determining the nature, timing, and extent of audit tests to be applied to our examination of the financial statements, and this report does not modify our report dated September 25, 2008, on such financial statements.

If we can be of any further assistance, please do not hesitate in contacting us.

Respectfully Submitted,


Philip R. Rubley, CPA